

**Introduced by Committee on Governance and Finance (Senators Hertzberg (Chair), Beall, Hernandez, Lara, Moorlach, Nguyen, and Pavley)**

February 8, 2016

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An act to add Article 18.5 (commencing with Section 53993) to Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 975, as introduced, Committee on Governance and Finance. Tax increment: property tax override rates.

Existing law establishes procedures for the formation of infrastructure financing districts, enhanced infrastructure financing districts, infrastructure and revitalization financing districts, and community revitalization and investment authorities, as specified, to undertake various economic development projects, including financing public facilities and infrastructure, affordable housing, and economic revitalization. Existing law authorizes an infrastructure financing plan or a community revitalization and investment plan to provide for the division of taxes levied upon taxable property, if any, between the affected taxing entities, as defined, and the district or authority.

This bill, for the purpose of any law authorizing the division of taxes, would prohibit the division of revenues derived from a property tax rate approved by the voters of a city, county, or city and county and levied in addition to the general property tax rate limited by the California Constitution. The bill would specify that this limitation does not apply to the allocation of property taxes pursuant to provisions relating to the wind down of the affairs of redevelopment agencies and the activities of successor agencies.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Article 18.5 (commencing with Section 53993)  
2 is added to Chapter 4 of Part 1 of Division 2 of Title 5 of the  
3 Government Code, to read:

4  
5 Article 18.5. Division of Property Taxes  
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7 53993. (a) Notwithstanding any other law, except as provided  
8 in subdivision (b), for the purpose of any law authorizing the  
9 division of taxes levied upon taxable property, including, but not  
10 limited to, Sections 53369.30, 53396, 53398.30, 53398.75, and  
11 62005, any revenues derived from the imposition of a property tax  
12 rate, approved by the voters of a city, county, or city and county  
13 and levied in addition to the property tax rate limited by subdivision  
14 (a) of Section 1 of Article XIII A of the California Constitution,  
15 shall not be divided.

16 (b) Subdivision (a) shall not apply to the allocation of property  
17 taxes pursuant to Part 1.85 (commencing with Section 34170) of  
18 Division 24 of the Health and Safety Code.